



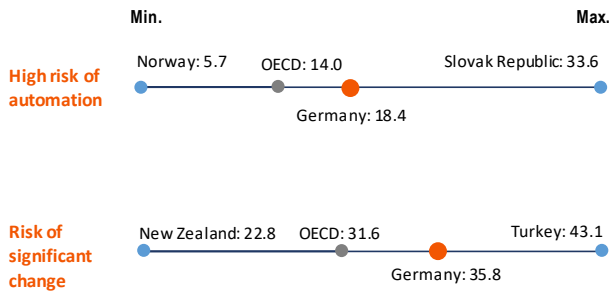
THE FUTURE OF WORK

How does GERMANY compare?

OECD Employment Outlook 2019



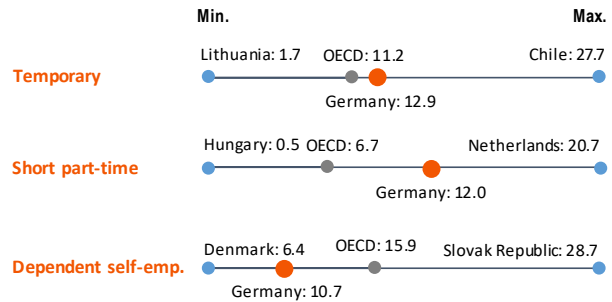
Jobs at risk of automation



Note: High risk of automation corresponds to a likelihood of automation of 70% or more. Jobs at risk of significant change are those with a likelihood of automation between 50 and 70%. Percentages. Data refer to 2012 or 2015, depending on the country.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Non-standard forms of work



Note: Temporary employment as a % of dependent employment. Short part-time (i.e. working 1-19 hours per week) as % of dependent employment. Dependent self-employment: incidence of own-account workers who generally have one dominant client as a % of total self-employment. Data refer to 2017.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

The quantity of jobs may not fall, but job quality and disparities among workers may worsen

Despite widespread anxiety about job destruction driven by technological change and globalisation, a sharp decline in overall employment is unlikely. While certain jobs may disappear (14% are at high risk of automation in the OECD), others will emerge, and employment has been growing overall. However, transitions will not be easy. There are concerns about the quality of some of the emerging new jobs and, without immediate action, labour market disparities may grow, as certain groups of workers face greater risks than others.

- In Germany, more jobs are at a high risk of automation or a significant risk of change than in the OECD on average. The higher risk of automatability is in part the result of the large manufacturing sector in Germany. Low-skilled jobs with routine tasks are generally at a higher risk of automation than high-skilled jobs with cognitive tasks.
- Non-standard forms of work overall are as common in Germany as in other countries. Temporary and short part-time employment are frequent, with many women working in these jobs. By contrast, “dependent” self-employed (also known as

“employee-like” persons since they have one dominant client) are less frequent.

- Germany is the only OECD country in which all self-employed, regardless of how much they earn, participate in old-age pension schemes on a purely voluntary basis. This may increase their old-age poverty risks.

Young workers and those without tertiary education face the most significant risks

The labour market experiences of many young people and of those with less than tertiary education have worsened over the past decade. In fact, young people with less than tertiary education have been particularly affected, with more of them being under-employed, non-employed or receiving low pay. Women are particularly at risk, but increasingly men are also being affected.

- The good news for Germany is that trends have gone in the opposite direction. It is one of the very few OECD countries, where the labour market prospects of the young have improved in the recent past.
- The risk for a 15-29-year-old German, who is no longer in education, not to have a job has declined from 13% in the mid-2000s to 9% today. This is 4 percentage points lower than the current OECD average of 13%.

- One reason for these positive developments has been the good overall performance of Germany's labour market and its economy. Another explanation is the apprenticeship system which facilitates the labour market entry of young people.

A key challenge is to extend labour law protections beyond standard employees

Labour market regulation plays an important role in protecting workers, but many non-standard workers are weakly covered or not covered at all. The rights and protections of non-standard workers can be strengthened by: tackling false self-employment, including scaling back tax incentives to misclassify workers; extending protections to workers in the grey zone between self- and dependent employment, including many platform workers; and addressing excess employers' market power.

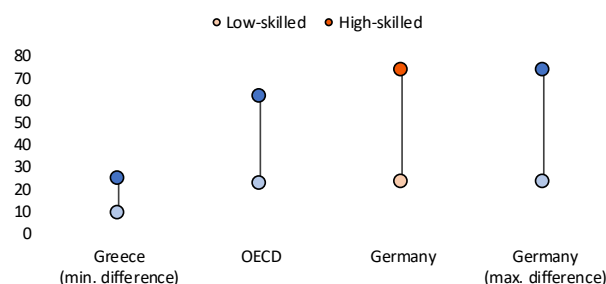
- Germany classifies workers as "employee-like" persons when they work independently for a client from whom they receive at least 50% of their income. Employee-like persons have the right to associate and collectively bargain and to a minimum leave of four weeks; but other countries provide self-employed in a similar situation with access to a wider set of protections.
- Workers on online platforms who work with multiple clients are not classified as employee-like persons. But voluntary initiatives (e.g. the Crowdsourcing Code of Conduct) provide them with some protection through self-regulation and social dialogue. Such new forms of organised representation of non-standard workers should be seen as suited to play a complementary role to unions, but not to substitute for them.
- Another issue concerns the protection of workers with unstable careers. For example, the pension system in Germany penalises career interruptions with larger reductions in pension entitlements than in many other OECD countries. Similarly, unemployment insurance is available only after a full year of contributions.

Adult learning is key to help the most vulnerable navigate a changing labour market

Adult learning is becoming increasingly important to help individuals to maintain and upgrade their skills throughout their working lives. Yet most adult learning systems are ill equipped for this challenge. 40% of adults train in a given year on average across the OECD, but those who need training the most, including non-standard workers, train the least and training is not always of good quality.

- In Germany, like in other OECD countries, low-skilled adults train less than the high-skilled. About three-quarters of the high-skilled participate in training, against one-quarter of the low-skilled.
- The gap in training participation between high- and low-skilled adults is the largest in the OECD. It arises because high-skilled adults train more than elsewhere. The low-skilled receive as much, or rather as little, training as in other countries.
- Germany needs more policy action in the area of adult training. For example, individual legal entitlements to lifelong learning and counselling on learning opportunities could be considered.

Adult training systems fail to reach the low-skilled



Note: Share of adults who participated in training over the previous 12 months, in percentages. Data refer to 2012 or 2015.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

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